Overview of COVID-19 measures that have an impact on banks, insurers and pension funds*

Version: 24 February 2021

Banks

	Measure	Explanatory note	Press release and date
DNB	*Microprudential, LSIs*		
	New DNB recommendation on dividend distribution, share buybacks and variable remuneration	De Nederlandsche Bank (DNB) follows the recommendation which the European Central Bank (ECB) published on 15 December 2020 (see below), in which it urges banks to exercise maximum restraint in paying dividends and buying back shares. It also calls on banks to restrict variable remuneration. Banks that are planning to pay dividends are expected to first discuss this with the competent supervisory authority. In any case, their dividend payments must remain below 15% of the accumulated profit for 2019 and 2020, and must not be higher than 20 basis points of the Common Equity Tier 1 (CET1) ratio .	link – 18 December 2020
	Temporary relief in banks' leverage ratio	Acting in line with the ECB (see below), DNB has declared exceptional circumstances due to the coronavirus (COVID-19) pandemic. As a result, banks are allowed to temporarily exclude central bank exposures from the leverage ratio calculation.	link – 17 September 2020
	DNB extends recommendation not to pay dividends and clarifies timeline to restore buffers	In line with the ECB, DNB extends its recommendation to Dutch less significant institutions not to pay dividends and refrain from buying back own shares until 1 January 2021. In addition, it calls on banks to exercise extreme restraint in awarding variable remuneration. DNB also subscribes to the ECB's expectations with regard to the use of the P2G, CBR and LCR (see below), extending these to Dutch LSIs	link – 28 July 2020
	DNB extends ECB's temporary relief measure for market risk to Dutch LSIs	DNB announced it would extend the ECB's relief measure for capital requirements for market risk (see below) to Dutch less significant institutions.	link – 27 May 2020
	DNB extends ECB guidance on IFRS 9 to Dutch LSIs	Recently, the ECB issued guidance on how it expected significant institutions to apply IFRS 9. DNB subsequently announced that it would extend the guidance to Dutch less significant institutions (LSIs) that apply IFRS 9.	link – 24 April 2020
	Extended submission deadlines for supervisory reports	DNB issued an update on extended submission deadlines for supervisory reporting to supplement the statements issued by the EBA and the ECB.	link – 16 April 2020
	DNB recommendation concerning dividend payments and share buybacks	DNB issued recommendations calling on LSIs not to pay dividends for 2019 and 2020, at least until 1 October 2020. It also called on banks to refrain from share buybacks during the same period.	link – 27 March 2020
	Capital and liquidity measures: use of the P2G, change in P2R composition, and operating below the LCR	• Banks are allowed to use their capital and liquidity buffers, including Pillar 2 Guidance • Banks can meet their Pillar 2 requirements using lower-quality capital instruments • Even if they temporarily operate below their required LCR, banks are allowed to use their liquidity buffer	link – 20 March 2020
	Relaxation of institution-specific Pillar 2 asset encumbrance limits	On a case-by-case basis, banks are allowed to exceed their specific Pillar 2 asset encumbrance limits	link – 20 March 2020
	Macroprudential, all banks		
	DNB lowers systemic buffers	DNB lowered the systemic buffer requirements for the three largest Dutch banks. Commitment to the gradual building of a countercyclical capital buffer (CCyB). Additional guidance was provided in October 2020 that in any event the CCyB will not be activated before the end of 2021.	link – 17 March 2020 link – October 2020

	Deferring the Article 458 measure	The introduction of a floor for mortgage loan risk weighting has been deferred. In October 2020, additional guidance was given that this measure would not enter into force before the end of 2021.	link – 17 March 2020 link – October 2020
SSM	**New ECB recommendation on dividend payments, share buybacks and variable remuneration**	The ECB has urged banks to exercise maximum restraint in paying dividends and buying back shares. It also calls on banks to restrict variable remuneration. Banks that are planning to pay dividends are expected to first discuss this with the competent supervisory authority. In any case, their dividend payments must remain below 15% of the accumulated profit for 2019 and 2020, and must not be higher than 20 basis points of the Common Equity Tier 1 (CET1) ratio .	link – 15 December 2020
	Temporary relief in leverage ratio	The ECB has decided that banks are allowed to exclude certain central bank exposures from the leverage ratio calculation. The ECB makes use of one of the options offered in the CRR "quick fix".	link – 17 September 2020
	ECB extends recommendation not to pay dividends, clarifies timeline to restore buffers and announces expiry of most operational relief measures	The ECB extended its recommendation to banks not to pay dividends or buy back own shares to 1 January 2021. In addition, it calls on banks to exercise extreme restraint in awarding variable remuneration. It also announced it would not expect banks to have restored their P2G, CBR and LCR until year-end 2022 and 2021, respectively. The ECB also announced it would not extend the operational relief measures announced on 20 March 2020 (see below), with the exception of the non-performing loan (NPL) reduction strategies for high-NPL banks. These banks are given six more months to submit their NPL reduction plans.	link – 28 July 2020
	Implementation decision taking supervisory relief measures for market risk	Temporary relief for capital requirements for market risk to smooth procyclicality and maintain banks' ability to provide market liquidity.	link – 16 April 2020
	ECB recommendation concerning dividend payments and share buybacks	The ECB has issued a recommendation calling on banks not to pay dividends for 2019 and 2020, at least until 1 October 2020. It also called on banks to refrain from share buybacks during the same period.	link – 27 March 2020
	Measures aimed at non-performing loans	The ECB provides flexibility in: • the UTP ("unlikely to pay") classification of debtors when banks call on public guarantees • The preferential treatment available for exposures guaranteed or insured by Official Export Credit Agencies is extended to COVID-19-related support programmes	link – 20 March 2020
	Measures relating to IFRS9	The ECB announced measures to: • mitigate the procyclicality of IFRS9 projections by issuing guidance for projection models, including exploring the possibility for creating central scenarios • encourage or oblige banks to mitigate the procyclical effects of applying transitional rules	link – 20 March 2020
	Operational relief measures concerning targeted review of internal models (TRIM), on-site inspections and SREP requirements	• Six-month extension of deadlines for mitigating action with respect to on-site inspections (OSIs), TRIM and internal model reviews • Six-month extension for compliance with the SREP requirements • Resumption of the issuance of TRIM decisions, on-site follow-up letters and internal model decisions once the six-month period is over, except where explicitly requested by the bank in question • Further extensions may be granted subject to further assessment of economic and financial developments • The supervisory burden on banks should be relieved as much as possible	link – 20 March 2020 (see also the 28 July 2020 announcement)

	Capital and liquidity measures: use of the P2G, change in P2R composition, and operating below the LCR	• Banks are allowed to use their capital and liquidity buffers, including Pillar 2 Guidance • Banks can meet their Pillar 2 requirements using lower-quality capital instruments • Even if they temporarily operate below their required LCR, banks are allowed to use their liquidity buffer	link – 12 March 2020 (additional clarification) see also the 28 July 2020 announcement
EBA	**EBA publishes additional clarifications on the application of the prudential framework in the light of COVID-19**	The EBA has updated its previous report on the implementation of COVID-19 measures. It provides further clarification on the application of the EBA Guidelines on moratoria and the EBA Guidelines on COVID-19 reporting and disclosure.	link – 29 January 2021
	The EBA updates Guidelines on the treatment of private and public moratoria	After deciding not to extend the EBA Guidelines on moratoria in September, the EBA decided in December to reinstate the Guidelines until the end of March 2021 because of the second coronavirus wave. As a result, banks can still place loans under more favourable prudential treatment during this period.	link – 2 December 2020 link – 21 September 2020
	Publication of one adapted ITS and two amended Guidelines on supervisory reporting	These amendments to the ITS and two Guidelines are the result of the CRR “quick fix”.	link – 11 August 2020
	Overview of public guarantee schemes issued in response to the COVID-19 pandemic	This overview lists 47 public guarantee schemes for bank lending. 43 were set up by EU Member States, and 4 by EEA countries. The overview was requested by various authorities including the European Commission and aims to create transparency about COVID-19-related public measures.	link - 21 July 2020
	Report on the implementation of selected COVID-19 policies	This report provides a summary overview of the general payment moratoria in place in the EU in response to the COVID-19 pandemic. It also provides clarification on questions and answers about the interpretation of the guidelines on public and private moratoria. Lastly, the report describes the supervisory expectations regarding the treatment of COVID-19-related operational risks. The EBA expects this report to be updated at a later date as COVID19-related developments continue to raise new and important policy challenges.	link - 7 July 2020 update: link – 7 August 2020
	EBA extends the deadline for the application of its Guidelines on payment moratoria to 30 September	The Guidelines on public and private moratoria initially provided that customers needed to participate in a moratorium no later than 30 June 2020, a deadline which as now been extended until 30 September. The EBA's extension underlines the importance of continued support to banks that continue to extend loans.	link - 18 June 2020
	Guidelines to address gaps in reporting data and public information in the context of COVID-19	These Guidelines are aimed at ensuring the availability of supervisory information related to COVID-19 measures. Such information is needed to monitor and assess the relevant risks.	link – 2 June 2020
	Further clarity on the use of flexibility in the context of COVID-19	The EBA provides further clarity on how additional flexibility will guide supervisory approaches in relation to market risk, the SREP, recovery planning, digital operational resilience and ICT risk, and securitisation.	link – 22 April 2020
	Guidelines on treatment of public and private moratoria in light of COVID-19 measures	The aim of these Guidelines is to clarify the requirements for public and private moratoria, which, if fulfilled no later than 30 June 2020, will help avoid the classification of exposures under the definition of forbearance or as defaulted under distressed restructuring. On 21 September, the EBA announced that these Guidelines will be phased out at the end of September.	link – 2 April 2020 link – 21 September 2020
	AML/CFT	This statement stresses that measures to prevent money laundering and terrorist financing (ML/TF) remain crucial in this challenging time. The EBA calls on competent authorities to exercise pragmatism in their supervisory activities.	link – 31 March 2020

	Statement on dividends distribution, share buybacks and variable remuneration	The EBA urges banks to refrain from dividend and other capital distributions. Furthermore, competent authorities should ask banks to review their remuneration policies in response to the COVID-19 crisis.	link – 31 March 2020
	Supervisory reporting and Pillar 3 disclosures	One month extension of the remittance dates of supervisory submissions due between March and end of May 2020.	link – 31 March 2020
	Use of the full flexibility in the prudential framework	Financial institutions can benefit from flexibility embedded in accounting and prudential frameworks. This means public and private payment moratoria do not automatically trigger classification as forbearance, subject to specific conditions.	link – 25 March 2020
	Acting in the interest of the consumer	Consumer protection remains a priority, and the EBA calls on banks to ensure that they act in the interest of their customers.	link – 25 March 2020
	EBA reschedules ongoing activities requiring inputs from banks	The EBA has postponed public hearings and extended deadlines for public consultations and data remittance.	link – 25 March 2020
	Stress test postponed	The EBA has postponed its 2020 EU-wide stress test to 2021.	link – 12 March 2020
	Flexibility in existing regulations	Competent authorities should make full use, where appropriate, of flexibility embedded in existing regulation. Examples given include the use of Pillar 2 Guidance, accelerating changes in the P2R composition, using liquidity buffers and implementing strategies for non-performing exposures.	link – 12 March 2020
European Commission (in consultation with European Council and the EP)	“Quick Fixes” to the CRRII to mitigate the impact of COVID-19	These temporary and specific measures aim to maintain the financing of banks to the real economy. The most important measures are: • Longer transition period for IFRS 9 • Temporary preferential treatment for state-guaranteed loans in light of the coronavirus pandemic • Extension of the leverage ratio buffer to 1 January 2023 • Framework changes in order to exempt central bank reserves from the leverage ratio • Temporary reintroduction of prudential filters • Faster introduction of lower risk weightings for different loans • Accelerated application of new EBA standards regarding to treatment of software for capital requirements • Introduction of a supervisory discretion to disregard market risk overshootings as a result of COVID-19.	link – 24 June 2020
BCBS	Alleviating the impact of expected credit loss accounting	The BCBS changes the provisions on phasing in expected credit loss (ECL) accounting frameworks. The adjustments will provide jurisdictions with greater flexibility in deciding whether and how to phase in the impact of ECL on regulatory capital.	link – 3 April 2020
	Clarification of the prudential treatment of public support measures	For loans subject to sovereign guarantees, the relevant sovereign risk weight should be used. In the event of a moratorium, assessment of unlikeliness to pay should be based on whether the borrower is unlikely to be able to repay the rescheduled payments.	link – 3 April 2020
	Deferral of final implementation phases of the margin requirements	The BCBS and IOSCO have agreed to defer implementation phases 5 and 6 of the margin requirements for non-centrally cleared derivatives by one year.	link – 3 April 2020
	Global systemically important banks’ annual assessment	The 2020 global systemically important bank (G-SIB) assessment exercise will be conducted as planned, based on end-2019 data, but memorandum data will not be included in the data collection template. The BCBS has also decided to postpone the implementation of the revised G-SIB framework by one year, from 2021 to 2022.	link – 3 April 2020
	Deferral of implementation of outstanding Basel III standards	• The implementation date of the outstanding Basel III standards has been deferred by one year to 1 January 2023. The transitional arrangements for the output floor have been extended to 1 January 2028	link – 27 March 2020

		• The implementation date of the revised market risk framework has been deferred by one year to 1 January 2023 • The implementation date of the revised Pillar 3 disclosure requirements has been deferred by one year to 1 January 2023	
	Suspending consultations and RCAP assessments	The BCBS has suspended consultation on all policy initiatives and postponed all outstanding assessments planned in 2020 under its Regulatory Consistency Assessment Programme.	link – 20 March 2020
Dutch central government	**Clarification of conditions for guarantee schemes**	The Dutch central government clarifies the terms of the guarantee schemes. These are adjustments to the guarantees aimed at clarifying the eligibility of these guarantees in the definition of capital requirements.	link – 12 February 2021
	Small Credits Credit Guarantees for SMEs (KKC)	The scheme specifically targets small firms' loan applications of EUR 10,000 to EUR 50.000. The government provides a 95% guarantee. The guarantee budget amounts to EUR 713 million, covering EUR 750 million in loans.	link – 7 May 2020
	Corporate Financing Guarantee (GO)	Businesses facing difficulty in finding bank loans or bank guarantees can use the Corporate Financing Guarantee Scheme (GO). The Dutch government has raised the maximum guarantee budget to EUR 10 billion. In this way, it supports SMEs and large corporations by providing public guarantees for their bank loans and bank guarantees of 80% and 90%, respectively. The government has temporarily raised the maximum guarantee amount to EUR 150 million per business.	link – 17 March 2020 link – supplement of 7 April 2020 (in Dutch)
	Accelerated access to extended SME Credit Guarantee Scheme (BMKB)	This measure extends the cover provided by the guarantee credit from 50% to 75%. The government's share is 90% of the guarantee credit. The maximum in guarantees provided has been raised to EUR 1.5 billion. It also applies to bridging loans and bank overdrafts with terms of up to two years, and premiums have been lowered.	link – 17 March 2020 link – supplement of 7 April 2020 (in Dutch)
	Extension of the Credit Guarantee for Agriculture Scheme (BL-C)	This is a temporary guarantee for working capital borrowed by businesses in agriculture and horticulture.	link – 18 March 2020

Insurers

	Measure	Explanatory note	Press release and date
DNB	**Support for ESRB recommendation on capital distributions**	DNB supports the recent ESRB recommendation that financial institutions (including insurers) should exercise maximum restraint and be prudent in paying dividends and buying back shares, at least until 30 September 2021. As regards insurers, we will continue to assess their dividend proposals critically, as we have been doing since July 2020. Insurers will in any case need to make a thorough, forward-looking analysis of how their capital policy relates to the COVID-19 crisis, the sustained low-interest rate environment, the supervisory framework and the ESRB recommendation.	link – 18 December 2020 (in Dutch)
DNB	DNB resumes assessment of dividends	DNB supports the recent ESRB recommendation that financial institutions (including insurers) should refrain from distributing dividends or buying back shares until at least the end of 2020. DNB will again assess dividend proposals from insurers as per usual. Insurers will in any case need to make a thorough, forward-looking analysis of how their capital policy relates to the COVID-19 crisis, the sustained low-interest rate environment, the supervisory framework and the ESRB recommendation.	link – 6 July 2020
DNB	Reallocation of supervisory capacity	On a risk basis and taking account of reviewed international timetables, DNB deferred and cancelled a number of supervisory examinations.	link – 6 April 2020

EIOPA/DNB	Recommendation concerning dividend payments and share buybacks	EIOPA and DNB urge insurers to temporarily suspend dividend distributions until the financial and economic impact of the COVID-19 pandemic starts to become clearer. They also call on insurers to refrain from share buybacks during the same period.	link – 2 April 2020 link – 2 April 2020
EIOPA/DNB	Extended submission deadlines	Based on EIOPA's recommendations on supervisory flexibility in accepting delays in supervisory and public reporting, DNB extended reporting deadlines for Solvency II and Basic insurers. Individual insurers have been informed by letter.	link - 25 March 2020 (in Dutch) link - 20 March 2020
EIOPA	Reporting deadlines	EIOPA considers that insurers should now be able to comply with the deadlines provided in the Solvency II framework for the remainder of 2020.	link – 27 July 2020
EIOPA	Two-weekly production of risk-free interest rate term structures and symmetric adjustment to equity risk	EIOPA has changed the frequency of current extraordinary processes for risk-free interest rate term structures (RFR) relevant to Solvency II and symmetric adjustment to equity risk (EDA) from a weekly basis to every two weeks.	link – 19 May 2020
EIOPA	Deferral of EIOPA advice on Solvency II Review	EIOPA revises its timetable for advice on Solvency II Review until end December 2020. Besides offering insurers operational relief, EIOPA seeks to assess recent market developments. To that end, it will carry out a limited additional information request from July to mid-September 2020, with reference date 30 June 2020.	link – 30 April 2020
EIOPA	Public consultation periods and information request submission dates extended	Public consultation periods and information request submission dates have been extended.	link – 2 April 2020
EIOPA	Holistic Impact Assessment for the 2020 Solvency II Review extended	EIOPA has extended the deadline of the Holistic Impact Assessment for the 2020 Solvency II Review to 1 June 2020, from 31 March.	link - 17 March 2020
IAIS	Adjusted timelines for data collection and deferred public consultations	The submission deadline for the data collection for the Insurance Capital Standard (ICS) confidential reporting will be extended by two months to 31 October. Public consultations are generally deferred by at least six months.	link – 27 March 2020
Dutch central government	**Trade credit reinsurance**	The government guarantee scheme for credit insurers was extended by six months until June 2021. The State has agreed with credit insurers to act as reinsurer for outstanding and future trade credits insured with credit insurers active in the Netherlands for another six months.	link – 12 November 2020 (in Dutch)
Dutch central government	Trade credit reinsurance	The Dutch State reinsures the full portfolios of Dutch trade credit insurers originated between 1 March 2020 and 31 December 2020. 90% of the risk is covered. Credit insurers bear the risk for 10% of the first EUR 1 billion in losses. Based on an assessment conducted by the insurers and external consultants, the scheme's total guarantee has been set at EUR 12 billion.	link – 29 May 2020 (in Dutch)

Pension funds[1]

	Measure	Explanatory note	Press release and date
Dutch central government	Exemption for minimum required own funds in connection with looming curtailments	Given the highly exceptional economic situation, the Dutch Minister of Social Affairs and Employment has pledged to exercise his power to grant pension funds more time to meet the relevant financial requirements. They can use the exemption scheme subject to the same conditions as in 2019 to defer the six assessments dates on which their minimum required own funds must be sufficient.	link – 6 July 2020 (Dutch only) link – 16 December 2020 (Dutch only)

[1] Viewed from the perspective of Dutch pension supervision, the acute phase of the COVID-19 crisis is now behind us. Almost all submissions were received in time, while deferred examinations and supervisory activities have meanwhile been rescheduled. In operational terms, pension supervision is returning to a rather more normal modus operandi. Accordingly, the COVID-19 crisis remains relevant to pension supervision mainly in terms of its impact on the pension funds' financial positions.

	Temporary emergency scheme for job retention (NOW)	In addition to a grant towards wage costs, eligible employers may apply for a grant enabling them to continue paying pension contributions. This means the NOW not only alleviates employers' liquidity problems but also reduces pension funds collection risks. Initially valid until 1 June 2020, it was extended until 1 October and further extended until 1 July 2021.	link – 17 March 2020 (Dutch only) link – 20 May 2020 (Dutch only) link – 22 June 2020 (Dutch only) link – 8 October 2020 (Dutch only)
	Temporary Dutch COVID-19 Measures Act	Section 23 of this new act allows boards of foundations to adopt management reports and financial statements four months later, i.e. no later than 31 October, in derogation of the provisions in the Dutch Civil Code.	link – 24 April 2020 (Dutch only)
EIOPA	Extended submission deadlines	The deadline for submitting the figures for the first quarter of 2020 has been extended by two weeks, and that for submitting the annual figures for 2019 by eight weeks.	link – 17 April 2020
DNB	Cancelled examinations	On a risk basis, DNB cancelled a number of supervisory examinations and deferred some to later in 2020.	link – 6 April 2020
	Reallocation of supervisory capacity	DNB has reallocated its supervisory capacity, shifting its focus to specific risk areas, such as the effectiveness of business continuity management, cyber risks, and ramifications of financial market turmoil, such as impact on funding rations, issues with regard to implementing the rebalancing policy, and liquidity management.	link – 6 April 2020
	Increased frequency of interest rate term structure publications	Prompted by exceptional market conditions, DNB decided to publish the nominal interest rate term structure (zero coupon) including UFR on a weekly basis. Meanwhile, it has resumed its monthly publication frequency.	link – 6 April 2020
	Introduction seminar cancelled	DNB cancelled the introduction seminar for new pension fund board members of 23 April due to the COVID-19 pandemic.	link – 6 April 2020
	Temporary deviations from the strategic investment policy	DNB would normally expect pension funds to adhere to their investment policies. Under exceptional market conditions, however, it could envisage legitimate reasons for deviating from a strategic investment policy, provided that decision-making is well-considered, substantiated and giving due consideration to risk management.	link – 6 April 2020
	Extended submission deadlines	Mindful of the operational challenges which Dutch pension funds face due to the COVID-19 crisis, DNB grants them an additional three months for submitting all annual statements, i.e. until 30 September 2020. In doing so, DNB provides pension funds with leeway comparable to that agreed with regard to the insurance sector at the European level. DNB is likewise favourably disposed towards requests for extended deadlines for monthly and quarterly statements and recovery plans.	link - 26 March 2020 (Dutch only)

Cross-sector

	Measure	Explanatory note	Press release and date
BCBS/ IOSCO/ EIOPA/EBA/ ESMA	Extended deadlines for final two phases of EMIR REFIT for risk management in derivatives transactions.	BCBS and IOSCO on 3 April decided that insurers required to phase in with effect from 20 September 2020 (with portfolios between EUR 750 and EUR 50 billion) and 20 September 2021 (with portfolios between EUR 50 and EUR 8 billion) would be given a one-year deferral in response to the COVID-19 crisis. This should relieve their immediate operational burden. The European Supervisory Authorities have enacted a regulation on 3 May 2020.	link – 3 April 2020 link – 4 May 2020 link – 4 May 2020

* No rights may be derived from this overview. While we update it from time to time, we do not vouch for its completeness.

** Newly introduced or amended measures are in bold print.